

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION BUILDING
100 NORTH UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
August 15, 2002

MEMBERS PRESENT:

Mr. Chester Mallory
Mrs. Jane Mardis (arrived at 10:00 a.m.)
Mr. Mandell Tillman
Mr. Ronald Parker (arrived at 10:40 a.m.)
Mr. R.L. Farmer, Jr.
Mr. Otis Stewart, Jr.
Mr. Wilder Cheney

MEMBERS ABSENT:

Mr. Steve Martin
Mr. Gary Carter

GUESTS PRESENT:

Ms. Courtney Byrd
Mr. Mike Pelman

OTHERS PRESENT:

Mr. J.W. Holland, Jr.
Mrs. Lisa Brooks
Ms. Neva Conway

- 1.0 With quorum present Mr. Mallory called the meeting to order at 9:20 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3rd. Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Farmer and then the Pledge of Allegiance.
- 2.0 Members present were Mr. Cheney, Mr. Stewart, Mr. Ronald Parker (arriving at 10:40 a.m.), Mrs. Jane Mardis (arriving 10:00 a.m.), Mr. Chester Mallory, Mr. R.L. Farmer, Jr., and Mr. Mandell Tillman. Members absent were Mr. Gary Carter and Mr. Steve Martin. Mr. Mallory asked the Board Members to introduce themselves to the guests.
- 3.0 On motion by Mr. Tillman and second by Mr. Farmer the regular minutes for July 18-19, 2002 were approved as written. All in favor, motion carried.

- 3.2 Ms. Conway informed the Board that five hearing had been set for today and tomorrow but due to circumstances the only hearing we will have is on Mr. Elrick Harris, AB-01-42 and AB-01-43.
- Ms. Conway informed the Board the hearing on Ms. Mary Jane Watson, AB-00-40, AB-00-41 and AB-00-42 is continued because her attorney had a medical emergency. Ms. Conway stated that a settlement was being discussed.
- Ms. Conway updated the Board on the status of the Disciplinary Hearing on Ms. Sarah Denise Hall, AB-00-66. This hearing was held open for Mr. Albritton to take a deposition. Then the Administrative Law Judge wants a brief and will make a proposed finding of fact and conclusion of law to the Board.
- Ms. Conway told the Board that the Disciplinary Hearing that was scheduled for today on Mr. Milton Holley, AB-01-54 has settled.
- Ms. Conway also informed the Board the appeal to the Circuit Court in Montgomery County on the denial of Mr. Christopher Smith reconsideration hearing has been set for non-jury trial. Mr. Gregory Albritton is representing Mr. Smith.
- Ms. Conway informed the Board that the continuation of the Disciplinary Hearing on Mr. Mark Bryant, AB-00-76, AB-01-15 and AB-99-72 has been set for September 19, 2002 and maybe September 20, 2002 if necessary.
- Ms. Conway informed the Board that the case on Mr. Joseph Steele, AB-01-13 and AB-01-24 has been settled and the hearing on Mr. Dick Israel, AB-01-28 and AB-02-05 has been continued.
- Ms. Conway told the Board the complaint on Mr. William Brasher, AB-00-34, which was thought to be settled in June, has now fallen through and she will work to reset his hearing.
- 4.0 Mr. Holland discussed with the Board a letter from Mr. Richard Maloy suggesting a confidentiality rule preventing an appraiser from disclosing information regarding disciplinary procedures involving another appraiser. Mr. Holland suggested adopting an administrative rule to address confidentiality among appraisers. The disciplinary committee will meet during break to discuss this issue.
- 5.0 On motion by Mr. Farmer and second by Mr. Cheney the following applications were voted on as listed. All in favor, motion carried.
- 5.1 **Trainee Real Property Appraiser applications approved:** Kevin Ballard, Joseph Best, Brian Cole, John B. Donald, Janice L. Fendley, Toni Geddings, Erik Hallmark, Paul Hughey, Vivian Imdieke, Beatrice McCarty, William Newell, Deena Pennington, Robyn Sartin, Ginger Smithson, Veronica Underwood, Derek Weaver.
- 5.2 **State Registered Real Property Appraiser applications approved:** NONE

- 5.3 **Licensed Real Property Appraiser application approved:** NONE
- 5.4 **Certified Residential Real Property Appraiser applications approved:** James F. Couch, II, Walter S. Listuon, Robert M. Pelman, William R. Shamblin, Cynthia E. Sockwell. **Applications deferred:** Sean W. Hollis, Gregory Walker.
- 5.5 **Certified General Real Property Appraiser applications approved:** Frank E. Lindstrom, III, Sherry Watkins (Recip.)(GA)
- 6.0 Mr. Mallory gave the financial report informing the Board that we were 83% into the fiscal year and 82% into budget expenditures. Mr. Holland stated at this time there were no negative trends, which could not be reconciled. Mr. Holland also gave the Board a copy of next years budget and discussed this briefly. On motion by Mr. Tillman and second by Mr. Cheney the Board voted to accept the financial report as read. All in favor, motion carried.
- 6.1 On motion by Mr. Cheney and second by Mr. Tillman the following education courses and instructor recommendations were approved or denied as indicated:

APPRAISAL INSTITUTE – Alabama Chapter

- (C.E.) Loss Prevention for Real Estate Appraisers – 4 Hours – **Approved**
(Approved Instructors: Robert A. Wiley and Gordon Forrester)

COMPUTAUGHT, Inc. d.b.a. Appraisal WebSchool

- (LIC) CompuTaught Qualifying Education Course for Licensure-Virtual Classroom – 75 or 90 Hours – **Denied for LIC, Approved for CE ONLY**
(Approved Instructor: Stephen G. Williams)

NAIFA

- (LIC) 9.0 Concepts, Terminology and Techniques – 15 Hours - **Approved**
(C.E.) (Approved Instructor: Michael T. Orman)

- 6.2 At 10:00 a.m. the Board adjourned Regular Session to hold the Disciplinary Hearing on Mr. Elrick Harris, AB-01-42 and AB-01-43.

At 10:30 a.m. the Board returned to Regular Session.

The Board reviewed the following disciplinary report, which was included in their books. On June 21, 2002, Edward E. Meadows (L00067), a Licensed Real Property Appraiser reached the following settlement with the Board prior to a scheduled hearing before the Board in connection with the appraisal of single-family residences. Terms of the consent settlement order include a public reprimand, an \$800 administrative fine, and successful completion of a Board approved Highest and Best Use Analysis course with exam. The discrepancies identified in the appraisal report are detailed as follows: (AB-00-20) Licensee failed to fully disclose neighborhood trending information in the report which are the existing development trends, recent re-zoning of properties in very close

proximity to the Subject, and existing business zoning of the blocks surrounding the Subject block. Licensee failed to clearly disclose rezoning of surrounding properties to RIP (Residential, Institutional, Professional Offices). The factual information could support the probability of a land use change had a reader been given the full scope of the land use in the Subject's immediate area. (AB-00-103) Licensee failed to disclose the existence of an abandoned apartment building located adjacent to the subject property and an abandoned house down the street. Licensee also failed to supply any explanation as to why external depreciation, attributable to the negative influence of the abandoned buildings, was not applied to the Subject in the Cost Approach. Licensee failed to provide descriptive narrative in support of the 35-year difference between the actual age and estimated effective age of the subject property. Licensee failed to exercise reasonable diligence in developing the appraisal by his failure to disclose the existence of an abandoned apartment building adjacent to the subject and an abandoned house in the same block as the subject and the failure to report the zoning of adjacent properties. The following USPAP Standards (2000 Ed.) were violated: 1-1(b), 1-3(a), 1-4(b)(iii), 2-1(a), 2-1(b), 2-2(b)(iii), and 2-2(b)(ix). Also violated were §34-27A-20(a)(8), Code of Alabama, 1975.

Mr. Holland discussed with the Board the investigative status charts.

6.2.1

The Board reviewed Probable Cause Report AB-01-22. On motion by Mr. Cheney and second by Mrs. Mardis the Board voted to probable cause did exist. All in favor, motion carried. On motion by Mr. Cheney and second by Mr. Tillman the Board voted to follow the investigators recommendations to issue a Letter of Counsel. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-51. On motion by Mrs. Mardis and second by Mr. Farmer the Board voted to follow investigators opinion to dismiss due to a lack of evidence or wrong doing on the Respondent's part. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-75 and AB-01-86 (Companion Case). On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-76 and AB-01-77 (Companion Case). On motion by Mr. Cheney and second by Mrs. Mardis the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-90 and AB-01-91 (Companion Case). On motion by Mrs. Mardis and second by Mr. Farmer the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-01-100 and AB-01-101 (Companion Case). On motion by Mr. Cheney and second by Mrs. Mardis the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mr. Tillman and second by Mr. Cheney the Board voted to issue a Letter of Counsel. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-12 and AB-02-13 (Companion Case). On motion by Mr. Tillman and second by Mr. Farmer the Board voted that probable cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-33. On motion by Mr. Cheney and second by Mr. Farmer the Board voted that probable cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-52 and AB-02-49 (Companion Case). On motion by Mr. Tillman and second by Mr. Parker the Board voted that probable cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Board Initiated Complaint Request AB-02-57. On motion by Mr. Farmer and second by Mrs. Mardis the Board voted that sufficient justification exists to warrant a Board initiated complaint. All in favor, motion carried. On motion by Mr. Parker and second by Mrs. Mardis the Board voted that sufficient USPAP violations were present to warrant finding of probable cause. All in favor, motion carried.

At 11:15 a.m. Mr. Parker took over the meeting.

6.2.2 No anonymous complaints reported at this time.

6.2.3 The Board reviewed Letter of Warnings on AB-99-35, AB-99-64, AB-99-65, AB-99-66, AB-99-67, AB-99-68, AB-99-69, AB-00-64, AB-00-65, AB-01-46, AB-01-64, AB-01-69, AB-02-23, Consent Settlement Orders on AB-00-09, AB-00-20, AB-00-103, AB-01-13, AB-01-24, AB-01-54, Letters of Counsel AB-01-67, and AB-01-68. On motion by Mr. Parker and second by Mrs. Mardis the Board voted to approve as stated. All in favor, motion carried.

Ms. Conway discussed with the Board that two CPA's are testifying in DOT eminent domain trails. We have sent cease and desist letters and notified the Board of Accounting.

6.3 No reciprocal agreements to report since last meeting.

6.4 The following reciprocal license was issued since last Board meeting: Sherry Watkins (G)(GA).

7.0 The temporary permit report was provided to the Board for their information.

8.0 Mr. Tillman informed the Board the results of the Manufactured Housing Committee meeting last month. Mr. Tillman stated that the current Manufactured Housing Policy Statement should be modified to define permanently attached as the axles and wheels should be removed, tie downs installed, tongue removed, appraiser must be of the opinion the intent is for the manufactured home to be permanently attached to the land, the home owner should surrender the title to the Revenue Commission and do whatever steps are necessary to have the home assessed as real estate.

Mr. Holland reminded the Board that the AARO Fall Conference would be October 19, 2002 through October 22, 2002 in Washington, D.C. The members who are tentatively scheduled to attend are Mrs. Mardis, Mr. Cheney, Mr. Parker, Mr. Farmer, Mr. Mallory and Mr. Martin. We will finalize the attendance at the September meeting.

The October meeting has been rescheduled for October 10-11, 2002.

The Board reviewed the Proposed Supervisor/Trainee Policy and the e-mails, which were received from the licensees during our comment period. This issue has been deferred to the Experience Committee adding Mr. Farmer and will report at Septembers meeting.

Mr. Holland informed the Board he had included a copy of The Appraisal Foundation Business Plan for their information.

Mr. Holland informed the Board with an insert in their books that as of this date we have had 12% of the appraisers to renew.

Mr. Tillman informed the Board the Disciplinary Committee met briefly to discuss the previously mentioned letter from Mr. Richard Maloy regarding the confidentiality issues of complaints. The committee will continue to work on providing guidelines for contact with and by the complainant.

9.0 Meeting adjourned at 2:20 p.m.

Sincerely,

Lisa Brooks
Executive Secretary

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APPROVED: _____
Ronald Parker, Chairman